

# Somboon Advance Technology (SAT TB)

## 3Q23 weakens YoY, but expect modest recovery in FY23-24E

### Reiterate BUY due to attractive valuations

Reiterate BUY on SAT due to its attractive valuation, with a low PER ratio of only 8.0x (-0.75 SD) and a PBV ratio of 0.9x (-1.0 SD). SAT boasts substantial cash on hand of THB3b, equivalent to 40% of its market value. This should help support a high dividend yield of 8.4%. Given the stagnant growth in the auto industry this year, we trim our FY23-24 EPS forecasts by -3%/-4%; however, profits are still expected to increase by 0.7%/4.6% in these two years as SAT secures new orders and expands its investment. This should support future operating results and growth. Our FY24E TP of THB23.5, based on its average 10-year PER of 10x, is down from THB24.

### We expect 3Q23 profit declined YoY

We estimate 3Q23 net profit (due on 9 Nov) of THB235m, -9% YoY. 3Q23 car production likely reached 465,366 units, down by 6% YoY due to domestic market slowdown. Additionally, we foresee tractor production decreased to 16,000 units (-16% YoY). However, we expect SAT's sales reached THB2.32b, up a slight 1% YoY, driven by new orders and new businesses. Gross profit margin likely declined to 18% from last year's 20%.

### Still expecting growth despite trimming FY23-24E EPS

We're cut our 2023 industry car production estimate to 1.88m units, flat YoY, from 1.95m (+3.5% YoY). This leads us to trim our FY23-24 sales estimates by 2% / 2%, and core profit by -3% / -4%. However, we still expect SAT's FY23-24E core profit to grow slightly, driven by new orders and revenue recognition from new ventures. We forecast 0.7% YoY profit growth to THB954m in FY23E and a 4.6% YoY rise to THB998m in FY24E.

### New businesses should boost growth

SAT has ventured into new businesses, namely Somboon Advance Agriculture (SAA), specialising in the production and sale of rotary blades for agricultural machinery, and Somboon Tron Energy (STRON), engaged in the production and sale of electric tricycles (E-3 Wheelers). These ventures are expected to start recognising revenue in 2H23, contributing approximately THB90m to THB100m pa, equivalent to roughly 1% of sales. Over the next 3-5 years, management aims to increase this proportion to 5-10%, thereby enhancing SAT's growth potential further.

FYE Dec (THB m)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue	8,598	8,931	9,199	9,475	9,760
EBITDA	1,610	1,561	1,571	1,651	1,664
Core net profit	955	948	954	998	1,029
Core EPS (THB)	2.25	2.23	2.24	2.35	2.42
Core EPS growth (%)	157.5	(0.7)	0.7	4.6	3.2
Net DPS (THB)	1.50	1.50	1.50	1.56	1.61
Core P/E (x)	9.7	9.4	8.0	7.7	7.4
P/BV (x)	1.2	1.1	0.9	0.9	0.9
Net dividend yield (%)	6.9	7.1	8.4	8.7	8.9
ROAE (%)	13.0	12.1	11.9	11.8	11.7
ROAA (%)	10.2	9.4	9.1	9.2	9.2
EV/EBITDA (x)	3.9	3.7	3.1	2.7	2.4
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Consensus net profit	-	-	989	1,073	1,137
MIBG vs. Consensus (%)	-	-	(2.7)	(7.0)	(9.5)

Surachai Pramualcharoenkit  
surachai.p@maybank.com  
(66) 2658 5000 ext 1470

# BUY

Share Price	THB 18.00
12m Price Target	THB 23.50 (+31%)
Previous Price Target	THB 24.00

### Company Description

SAT manufactures parts for the motor vehicle industry.

### Statistics

52w high/low (THB)	22.50/17.30
3m avg turnover (USDm)	0.4
Free float (%)	64.2
Issued shares (m)	425
Market capitalisation	THB7.6B
	USD207M

### Major shareholders:

Somboon Holding	29.9%
Thai NVDR	8.3%
Krungsri dividend stock fund	2.2%

### Price Performance



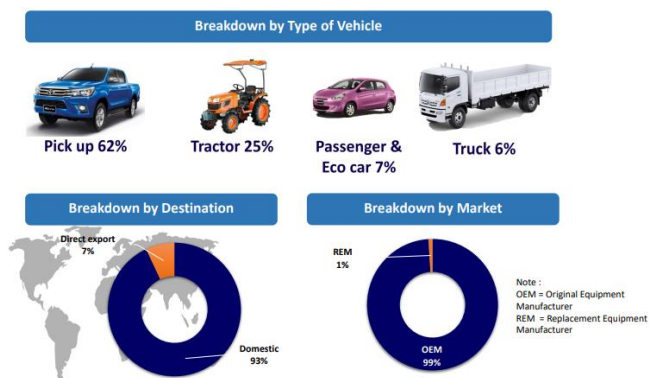
	-1M	-3M	-12M
Absolute (%)	(5)	(4)	(11)
Relative to index (%)	3	(1)	(2)

Source: FactSet

## Value Proposition

- Thailand’s leading auto-parts manufacturer with dominant share in axle shaft (86%) selling to major pick-up truck and tractor makers, mainly Kubota.
- The Federation of Thai Industries set its 2023 auto production target at 1.90m units, (+1% YoY), 1.05m units (+1.2% YoY) for export and 850k units (+6.4% YoY) for the domestic market, indicating stable demand for auto-parts.
- About 62% of SAT’s sales come from pick-up trucks, 20-25% from tractors, 7% passenger & econ cars, 6% trucks and <1% robot & automation. The group has just restructured to pave the way for business diversification, including move to EV-related parts.

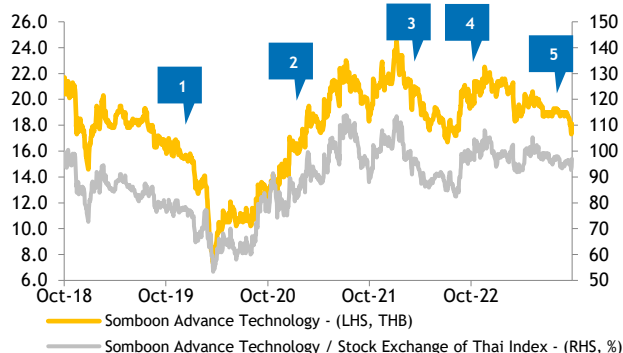
### Sales breakdown



Source: Company

## Price Drivers

### Historical share price trend



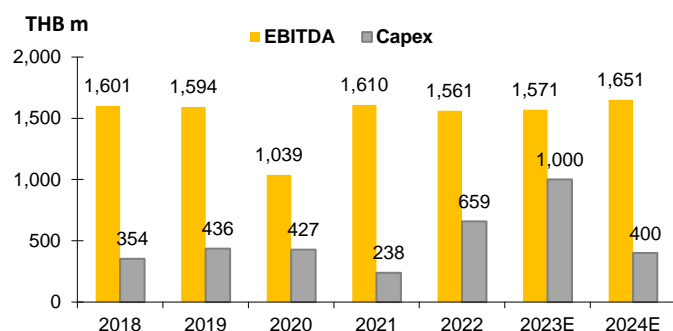
Source: Company, MST

- Auto production was disrupted by the pandemic.
- Auto demand recovered strongly, which was constructive to auto parts volume. New orders were another positive.
- Higher steel costs hurt margins in 4Q21 & 1H22 as pricing lagged.
- Earnings recovered as more new orders are received, steel costs began to decline and selling prices gradually increased.
- The Federation of Thai Industries lowered Thailand’s vehicle output projection to 1.90m (1% growth YoY) from 1.95m (3.5% growth YoY) earlier.

## Financial Metrics

- Growing profitability driven by good volumes and new orders. Gross profit margin fell to 18.1% in FY22 from 19.2% in FY21.
- Strong financial position, cash on hand is THB3.0b (40% of the stock’s market value). Dividend yield of 8.4% is well-supported.
- EBITDA of THB1.5-1.6b per year since 2021, much higher than annual capex.

### Available EBITDA for dividend and further expansion



Source: Company, MST

## Swing Factors

### Upside

- New orders.
- Successful in new investment in EV bus platform and robot & automation.
- Better-than-expected automotive production.

### Downside

- High volatility or surging steel raw material prices.
- Weaker than expected automotive production.
- Discontinuation of orders due to model change.
- Price discount programme by car makers may result in renegotiation of prices for the auto parts suppliers.

# ESG@MAYBANK IBG

Surachai.p@maybank.com

Risk Rating & Score <sup>1</sup>	na
Score Momentum <sup>2</sup>	na
Last Updated	na
Controversy Score <sup>3</sup>	na

## Business Model & Industry Issues

- SAT’s vision: strive for sustainable growth in the automotive industry through advanced technology and partnership.
- SAT’s mission: create value for shareholders, collaborate with strategic partners to develop business administration, provide solutions for customers through advance technology in products design and development, enhance excellence in operation and corporate system with information technology, embrace corporate governance and fairness throughout supply chain, be socially and environmentally responsible, continuously enhance people skills and competencies through the Somboon Learning Academy.
- SAT has drafted a 5-year master plan for sustainable development with the target and indicators according to the strategy "SBG Triple Bottom Line creates a balance": Smart People, Business Trust and Growth Society.
- SAT received Thailand Sustainability Investment Award from the Stock Exchange of Thailand.

## Material E issues

- SAT environmental targets for 2023 are the following:
  1. GHG Reduction - reduce greenhouse gas emissions by 11%.
  2. Energy Saving - reduce energy consumption per production by 4%.
  3. Reduce use of water resources by 1.5%.
  4. Waste management - reduce the amount of hazardous industrial waste relative to production by 2.5%.

## Material S issues

- SAT promotes a happy coexistence with the community and society with a focus on creating educational and career opportunities for youths and the disadvantaged - especially in vocational education. It also focuses on the process of working with the community and promote various activities to develop the quality of life and the economy of the community sustainably.
- SAT gives importance to fair treatment of employees, in terms of compensation, career path, job transfer, and capacity development, along with moral development to empower them to be competent and live well in society. That includes fair employment for employees and allow them to receive appropriate compensation according to their potential, while maintaining the environment and organise the working process for employees to be safe in life, property, and good hygiene. Trainings are also provided to improve their skills. In 2021, total training hours provided was 12.4 hours/person/year.

## Key G metrics and issues

- The Board of Directors consists of 9 people: 1 executive director and 8 independent directors (of these are 6 Independent Directors and 1 female director). Total remuneration for 2022 was THB14.5m or 1.5% of reported net profit.
- SAT’s auditor is KPMG Phoomchai Audit Co, Ltd.
- Companies under SAT group have adopted a risk management system according to the international standards (COSO) as a tool for corporate governance. It has established a management-level risk management policy. It also provides risk management with a clear direction, consistent with business strategy and goals within the framework of good corporate governance. The risk management structure of SAT group of companies consists of 1. Policy-Based Risk Management Committee (BOD) 2. Enterprise Risk Management Committee (ERM) 3. Risk Management Committee Functional Risk Management Committee (FRM) 4. Audit Committee.
- SAT has been assessed by the corporate governance survey of Thai-listed companies (Corporate Governance Report of Thai Listed Companies: CGR) to be one of 716 listed companies to receive Excellent CG Scoring for the year 2021 from the Thai Institute of Directors, with all scores in the category of "Excellent".
- The company has scored 100 marks from the Thai Investors Association for organising the 2022 Annual General Meeting of Shareholders (AGM Checklist).

<sup>1</sup>**Risk Rating & Score** - derived by Sustainalytics and assesses the company’s exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company’s enterprise value, respectively, from ESG-driven financial impacts. <sup>2</sup>**Score Momentum** - indicates changes to the company's score since the last update - a **negative** integer indicates a company’s improving risk score; a **positive** integer indicates a deterioration. <sup>3</sup>**Controversy Score** - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

# 1. Estimate 3Q23 profit declined YoY

In 3Q23, we estimate Thailand’s car production reached 465,366 units (-6% YoY, +12% QoQ). Tractor production is expected to be 16,000 units (-16% YoY, 0% QoQ). SAT derives about 80-85% of its sales from auto parts and about 15-20% from tractors. Additionally, SAT receives new orders totalling THB450-500m annually and it should recognise revenue from new companies, Somboon Advance Agriculture (SAA) and Somboon Tron Energy (STRON), in FY23. We estimate SAT’s sales grew 1% YoY and 8% QoQ to THB2.322b.

Gross profit margin likely remained stable at 18% in 3Q23 from 2Q23 but decreased from 20% in 3Q22.

We anticipate an unremarkable 3Q23 net profit of THB235m, down 9% YoY but improving 5% QoQ.

**Fig 1: Quarterly earnings**

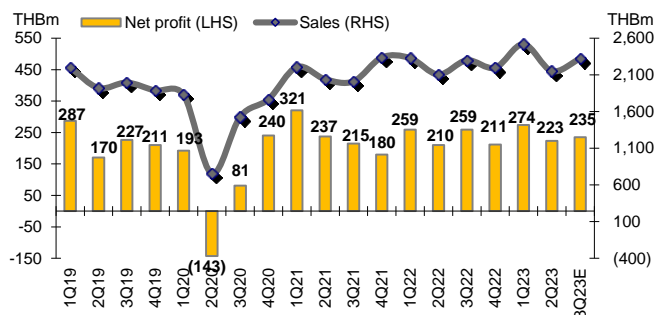
(THBm)	3Q22	2Q23	3Q23E	%YoY	%QoQ	9M22	9M23E	%YoY
Sales	2,299	2,153	2,322	1%	8%	6,733	6,994	4%
COGs	1,709	1,641	1,779	4%	8%	5,101	5,381	5%
Depreciation	129	125	125	-3%	0%	385	374	-3%
Gross profits	461	388	418	-9%	8%	1,248	1,239	-1%
Other income	19	35	35	83%	1%	98	89	-10%
SG&A	184	168	186	1%	11%	534	512	-4%
EBITDA	426	379	392	-8%	3%	1,197	1,190	-1%
Interest expense	1	0	0	-18%	12%	2	1	-31%
Equity income	(4)	1	9	nm.	974%	8	28	248%
Core profit	252	217	235	-7%	9%	719	725	1%
Extra items	7	7	-	nm.	nm.	10	7	-22%
Net profit	259	223	235	-9%	5%	728	733	1%
Core EPS (THB)	0.59	0.51	0.55	-7%	9%	1.69	1.71	1%
EPS (THB)	0.61	0.53	0.55	-9%	5%	1.71	1.72	1%

Ratios	3Q22	2Q23	3Q23E	9M22	9M23E
Gross margin	20.1%	18.0%	18.0%	18.5%	17.7%
SG&A/Sales	8.0%	7.8%	8.0%	7.9%	7.3%
EBITDA margin	18.5%	17.6%	16.9%	17.8%	17.0%
Core profit margin	11.0%	10.1%	10.1%	10.7%	10.4%
Net profit margin	11.3%	10.4%	10.1%	10.8%	10.5%

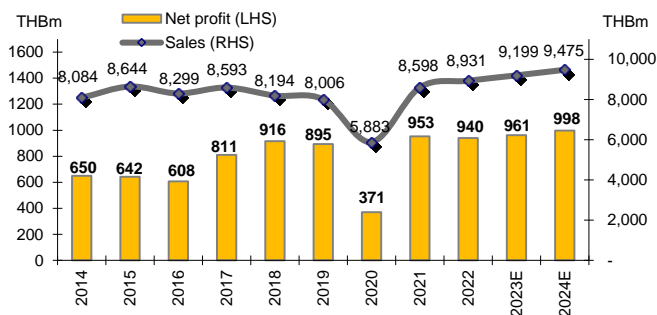
Source: Company, MST.

**Fig 2: Quarterly earnings: 3Q22 earnings down YoY**



Source: Company, MST

**Fig 3: Annual earnings: resilient FY22A and FY23E**



Source: Company, MST

## 2. Adjusted FY23-24 forecasts: expect slight profit growth

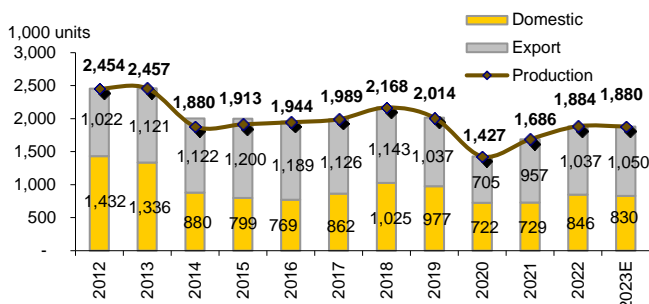
We are revising our 2023 Thailand car production forecast down to 1.88m units (flat YoY) from 1.95m units (+3.5% YoY). Domestic production has been affected by the strong growth of imported EVs and restrictions on car loans. However, the high growth in foreign markets has provided support. As for tractor parts production in 2023, we expect it to decrease to 71,000 units (-19% YoY), primarily due to drought caused by the El Niño phenomenon.

As a result, we have revised our forecasts down for FY23-24: sales are trimmed by 2% / 2%, and core profit by -3% / -4%, respectively.

However, we expect SAT's performance in FY23-24E to show slight growth, outperforming the overall industry. In 2023, we expect sales to grow by 3% YoY, reaching THB9.199b. This growth should be driven by new orders for output shafts and case sets, totalling THB450-500m, and the recognition of income from the SAA and STRON in 2H23. We expect these factors (SAA + STRON) to increase income by approximately THB90-100m, while we forecast core profit to reach THB954m, up 0.7%.

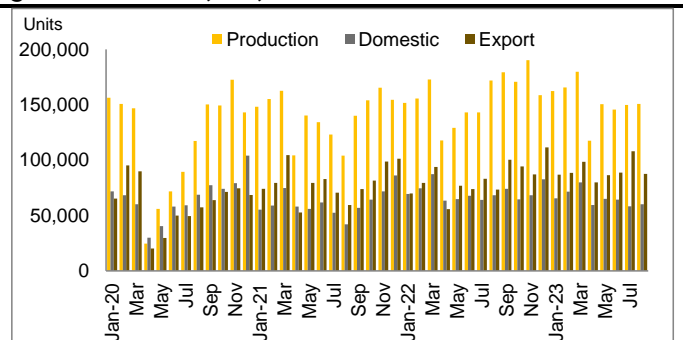
Outlook for FY24E: we anticipate slight 3% YoY sales growth to THB9.475b, bolstered by SAA and STRON, which will generate additional income. The automobile industry is expected to experience slight growth of 1-3% YoY, and we project a 4% YoY profit increase to THB998m.

**Fig 4: Thai auto outlook: 2023 output set to be flat (vs +12% YoY in 2022)**



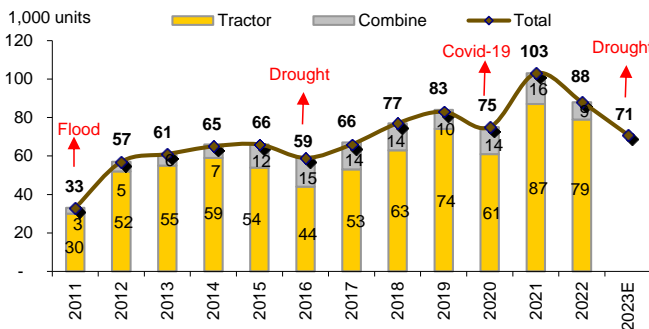
Source: The Federation of Thai Industries, MST

**Fig 5: Monthly automotive statistics: 8M23 auto production grew 3% YoY to 1,221,878 units**



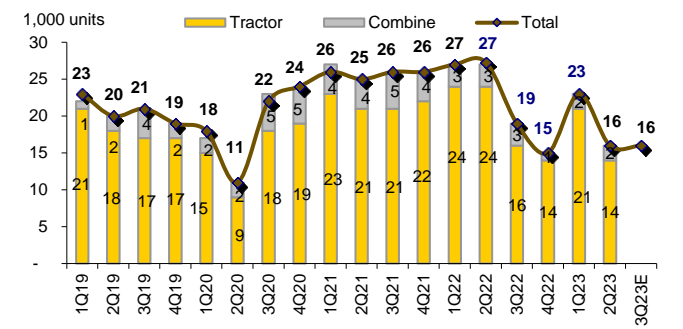
Source: The Federation of Thai Industries

**Fig 6: Tractor production outlook: 2023 output should be down 19% YoY ('vs -15% YoY in 2022) due to drought**



Source: Company, MST

**Fig 7: Tractor production by quarter: low 3Q23 tractor production of 16,000 units (-16% YoY, % QoQ)**



Source: Company, MST

Fig 8: Revised earnings forecasts

THB m	Revised		Previous		% Chg	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Sales	9,199	9,475	9,378	9,659	-2%	-2%
Gross profit margin (%)	17.9%	18.0%	18.2%	18.4%		
Core profit	954	998	988	1,037	-3%	-4%
Net profit	961	998	988	1,037	-3%	-4%
Core EPS (THB)	2.24	2.35	2.32	2.44	-3%	-4%
EPS (THB)	2.26	2.35	2.31	2.44	-3%	-4%

Source: Company, MST

### 3. New businesses will enhance future growth potential

SAT has invested in new businesses that will begin recognizing revenue in 2H23. These include: 1) STRON: SAT owns 60% of a joint venture with Tron Energy from Taiwan, which owns the remaining 40%. In 2H23, revenue recognition will commence for the production and sale of electric tricycles (E-3 Wheelers) primarily targeting logistics and other service groups. Future plans involve increasing production capacity to 1,000 units/year and manufacturing battery packs and swap batteries for electric vehicles.

2) SAA: SAT owns 100% of the shares and its involved in producing and distributing rotary blades for agricultural machinery.

3) Somboon Siasum Tech (SST): SAT owns 50% and is engaged in providing services and consulting for system implementation. This includes the development of integrated engineering and automation systems.

In 2H23, management expects STRON and SAA to recognise revenue of approximately 1% of total sales, or approximately THB90-100m. In the next 3-5 years, the target is to increase this to 5-10% of total revenue.

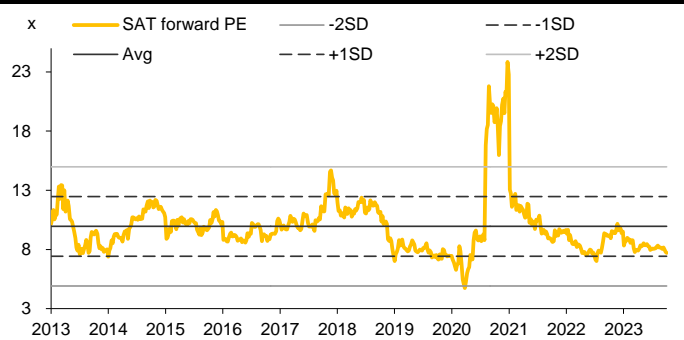


Fig 9: New businesses (~1% of total FY23E sales)

Implement & Agri Tech	Robot and Automation	Electric Vehicle Platform
SAA	SST	STRON
<p><b>Process: Forming</b></p>	<p><b>Intelligent Logistics</b></p> <p><b>SMART Factory</b></p> <p><b>Robot</b></p>	<p><b>E-3 Wheelers</b></p> <p><b>Battery Packing</b></p>

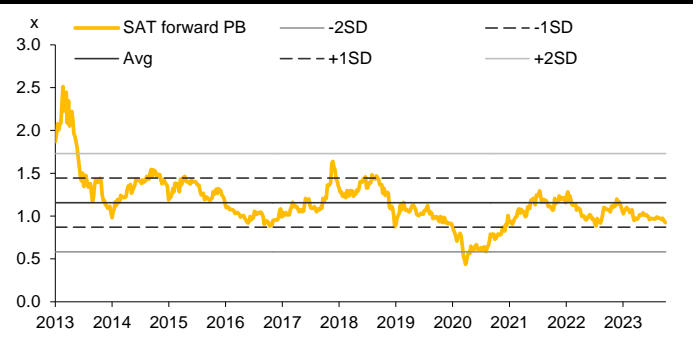
Source: Company

Fig 10: SAT is trading at below its 10-year average forward P/E of 10.0x



Source: Bloomberg

Fig 11: SAT is trading at below its 10-year average forward PBV of 1.2x



Source: Bloomberg

FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Key Metrics</b>					
P/E (reported) (x)	8.8	9.1	8.0	7.7	7.4
Core P/E (x)	9.7	9.4	8.0	7.7	7.4
P/BV (x)	1.2	1.1	0.9	0.9	0.9
P/NTA (x)	1.2	1.1	0.9	0.9	0.9
Net dividend yield (%)	6.9	7.1	8.4	8.7	8.9
FCF yield (%)	13.6	8.2	5.0	13.9	14.5
EV/EBITDA (x)	3.9	3.7	3.1	2.7	2.4
EV/EBIT (x)	6.1	5.6	4.5	3.9	3.4

**INCOME STATEMENT (THB m)**

Revenue	8,598.2	8,931.4	9,199.3	9,475.3	9,759.6
EBITDA	1,609.7	1,561.5	1,570.8	1,651.4	1,664.3
EBIT	1,037.4	1,046.8	1,068.8	1,122.7	1,156.3
Net interest income /(exp)	(5.8)	(2.0)	(1.7)	(1.6)	(1.6)
Associates & JV	84.3	38.3	41.0	45.0	48.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	1,116.0	1,083.1	1,108.1	1,166.1	1,202.7
Income tax	(158.8)	(139.7)	(160.1)	(168.2)	(173.2)
Minorities	(2.6)	4.2	5.9	0.0	0.0
Discontinued operations	(2.0)	(7.7)	7.4	0.0	0.0
Reported net profit	952.7	940.0	961.4	997.9	1,029.5
Core net profit	954.7	947.6	954.0	997.9	1,029.5

**BALANCE SHEET (THB m)**

Cash & Short Term Investments	2,998.5	3,135.9	2,870.0	3,296.0	3,743.0
Accounts receivable	1,531.2	1,645.4	1,670.1	1,695.1	1,720.5
Inventory	593.7	775.6	787.2	799.0	811.0
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	3,069.1	3,213.1	3,711.1	3,582.3	3,424.4
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	1,031.5	1,055.4	1,096.4	1,141.4	1,189.4
Other assets	606.2	525.4	533.6	542.1	550.8
<b>Total assets</b>	<b>9,830.1</b>	<b>10,350.8</b>	<b>10,668.4</b>	<b>11,056.0</b>	<b>11,439.1</b>
ST interest bearing debt	12.5	13.3	11.4	11.9	12.0
Accounts payable	1,227.7	1,335.4	1,355.4	1,375.7	1,396.4
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	18.4	23.4	20.0	20.8	21.0
Other liabilities	929.0	1,012.0	998.0	1,005.0	1,001.0
<b>Total Liabilities</b>	<b>2,187.7</b>	<b>2,384.5</b>	<b>2,384.4</b>	<b>2,413.4</b>	<b>2,430.6</b>
Shareholders Equity	7,642.4	7,950.5	8,274.1	8,632.7	8,998.6
Minority Interest	0.0	15.8	9.9	9.9	9.9
<b>Total shareholder equity</b>	<b>7,642.4</b>	<b>7,966.3</b>	<b>8,284.0</b>	<b>8,642.6</b>	<b>9,008.5</b>
<b>Total liabilities and equity</b>	<b>9,830.1</b>	<b>10,350.8</b>	<b>10,668.4</b>	<b>11,056.0</b>	<b>11,439.1</b>

**CASH FLOW (THB m)**

Pretax profit	1,116.0	1,083.1	1,108.1	1,166.1	1,202.7
Depreciation & amortisation	572.3	514.7	502.0	528.8	508.0
Adj net interest (income)/exp	5.8	2.0	1.7	1.6	1.6
Change in working capital	(4.3)	11.2	(24.5)	(25.0)	(25.5)
Cash taxes paid	(158.8)	(139.7)	(160.1)	(168.2)	(173.2)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	1,435.5	1,452.7	1,381.3	1,462.5	1,458.6
Capex	(173.1)	(724.0)	(1,000.0)	(400.0)	(350.0)
Free cash flow	1,262.4	728.8	381.3	1,062.5	1,108.6
Dividends paid	(374.2)	(629.3)	(637.8)	(639.3)	(663.6)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(124.3)	5.8	(5.3)	1.2	0.3
Other invest/financing cash flow	(96.1)	32.1	(4.2)	1.6	1.6
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	667.9	137.4	(265.9)	426.0	447.0



FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Key Ratios</b>					
<b>Growth ratios (%)</b>					
Revenue growth	46.2	3.9	3.0	3.0	3.0
EBITDA growth	54.9	(3.0)	0.6	5.1	0.8
EBIT growth	147.3	0.9	2.1	5.0	3.0
Pretax growth	169.2	(2.9)	2.3	5.2	3.1
Reported net profit growth	156.6	(1.3)	2.3	3.8	3.2
Core net profit growth	157.5	(0.7)	0.7	4.6	3.2
<b>Profitability ratios (%)</b>					
EBITDA margin	18.7	17.5	17.1	17.4	17.1
EBIT margin	12.1	11.7	11.6	11.8	11.8
Pretax profit margin	13.0	12.1	12.0	12.3	12.3
Payout ratio	66.9	67.9	66.5	66.5	66.5
<b>DuPont analysis</b>					
Net profit margin (%)	11.1	10.5	10.5	10.5	10.5
Revenue/Assets (x)	0.9	0.9	0.9	0.9	0.9
Assets/Equity (x)	1.3	1.3	1.3	1.3	1.3
ROAE (%)	13.0	12.1	11.9	11.8	11.7
ROAA (%)	10.2	9.4	9.1	9.2	9.2
<b>Liquidity &amp; Efficiency</b>					
Cash conversion cycle	30.2	34.6	38.0	37.4	36.8
Days receivable outstanding	57.3	64.0	64.9	63.9	63.0
Days inventory outstanding	30.0	33.7	37.2	36.8	36.2
Days payables outstanding	57.1	63.1	64.1	63.3	62.4
Dividend cover (x)	1.5	1.5	1.5	1.5	1.5
Current ratio (x)	2.9	2.8	2.7	2.9	3.1
<b>Leverage &amp; Expense Analysis</b>					
Asset/Liability (x)	4.5	4.3	4.5	4.6	4.7
Net gearing (%) (incl perps)	net cash	net cash	net cash	net cash	net cash
Net gearing (%) (excl. perps)	net cash	net cash	net cash	net cash	net cash
Net interest cover (x)	nm	nm	nm	nm	nm
Debt/EBITDA (x)	0.0	0.0	0.0	0.0	0.0
Capex/revenue (%)	2.0	8.1	10.9	4.2	3.6
Net debt/ (net cash)	(2,967.6)	(3,099.2)	(2,838.6)	(3,263.4)	(3,710.0)

Source: Company; Maybank IBG Research

## Research Offices

### ECONOMICS

**Suhaimi ILIAS**  
Chief Economist  
Malaysia | Philippines | Global  
(603) 2297 8682  
suhaimi\_ilias@maybank-ib.com

**CHUA Hak Bin**  
Regional Thematic Macroeconomist  
(65) 6231 5830  
chuahb@maybank.com

**Dr Zamros DZULKAFI**  
Malaysia | Philippines  
(603) 2082 6818  
zamros.d@maybank-ib.com

**Erica TAY**  
China | Thailand  
(65) 6231 5844  
erica.tay@maybank.com

**Brian LEE Shun Rong**  
Indonesia | Singapore | Vietnam  
(65) 6231 5846  
brian.lee1@maybank.com

**Fatin Nabila MOHD ZAINI**  
(603) 2297 8685  
fatinnabila.mohdzaini@maybank-ib.com

**Luong Thu Huong**  
(65) 6231 8467  
hana.thuhuong@maybank.com

### FX

**Saktiandi SUPAAT**  
Head of FX Research  
(65) 6320 1379  
saktiandi@maybank.com

**Fiona LIM**  
(65) 6320 1374  
fionalim@maybank.com

**Alan LAU**  
(65) 6320 1378  
alanlau@maybank.com

**Shaun LIM**  
(65) 6320 1371  
shaunlim@maybank.com

### STRATEGY

**Anand PATHMAKANTHAN**  
ASEAN  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com

### FIXED INCOME

**Winson PHOON, FCA**  
Head of Fixed Income  
(65) 6340 1079  
winsonphoon@maybank.com

**SE THO Mun Yi, CFA**  
(603) 2074 7606  
munyi.st@maybank-ib.com

### PORTFOLIO STRATEGY

**ONG Seng Yeow**  
(65) 6231 5839  
ongsenyeow@maybank.com

### MIBG SUSTAINABILITY RESEARCH

**Jigar SHAH**  
Head of Sustainability Research  
(91) 22 4223 2632  
jigars@maybank.com

**Neerav DALAL**  
(91) 22 4223 2606  
neerav@maybank.com

### REGIONAL EQUITIES

**Anand PATHMAKANTHAN**  
Head of Regional Equity Research  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com

**WONG Chew Hann, CA**  
Head of ASEAN Equity Research  
(603) 2297 8686  
wchewh@maybank-ib.com

### MALAYSIA

**Anand PATHMAKANTHAN** *Head of Research*  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com  
• Strategy

**WONG Chew Hann, CA**  
(603) 2297 8686  
wchewh@maybank-ib.com  
• Equity Strategy  
• Non-Bank Financials (stock exchange)  
• Construction & Infrastructure

**Desmond CH'NG, BFP, FCA**  
(603) 2297 8680  
desmond.chng@maybank-ib.com  
• Banking & Finance

**ONG Chee Ting, CA**  
(603) 2297 8678  
ct.ong@maybank-ib.com  
• Plantations - Regional

**YIN Shao Yang, CPA**  
(603) 2297 8916  
samuel.y@maybank-ib.com  
• Gaming - Regional  
• Media • Aviation • Non-Bank Financials

**TAN Chi Wei, CFA**  
(603) 2297 8690  
chiwei.t@maybank-ib.com  
• Power • Telcos

**WONG Wei Sum, CFA**  
(603) 2297 8679  
weisum@maybank-ib.com  
• Property • Glove

**Jade TAM**  
(603) 2297 8687  
jade.tam@maybank-ib.com  
• Consumer Staples & Discretionary

**Nur Farah SYIFAA**  
(603) 2297 8675  
nurfarahsyifaa.mohamadfuad@maybank-ib.com  
• Renewable Energy • REITS

**LOH Yan Jin**  
(603) 2297 8687  
lohyanjin.loh@maybank-ib.com  
• Ports • Automotive • Technology (EMS)

**Arvind JAYARATNAM**  
(603) 2297 8692  
arvind.jayaratnam@maybank.com  
• Technology (Semicon & Software)

**Jeremie YAP**  
(603) 2297 8688  
jeremie.yap@maybank-ib.com  
• Oil & Gas • Petrochemicals

**TEE Sze Chiah** *Head of Retail Research*  
(603) 2082 6858  
szechiah.t@maybank-ib.com  
• Retail Research

**Nik Ihsan RAJA ABDULLAH, MSTA, CFTe**  
(603) 2297 8694  
nikmohdihsan.ra@maybank-ib.com  
• Chartist

**Amirah AZMI**  
(603) 2082 8769  
amirah.azmi@maybank-ib.com  
• Retail Research

### SINGAPORE

**Thilan WICKRAMASINGHE** *Head of Research*  
(65) 6231 5840  
thilanw@maybank.com  
• Banking & Finance - Regional  
• Consumer

**Eric ONG**  
(65) 6231 5849  
ericong@maybank.com  
• Healthcare • Transport • SMIDs

**Kelvin TAN**  
(65) 6231 5837  
kelvin.tan1@maybank.com  
• Telcos • Industrials

**LI Jialin**  
(65) 6231 5845  
jialin.li@maybank.com  
• REITS

**Jarick SEET**  
(65) 6231 5848  
jarick.seet@maybank.com  
• Technology

**Krishna GUHA**  
(65) 6231 5842  
krishna.guha@maybank.com  
• REITS

### PHILIPPINES

**Jacqui de JESUS** *Head of Research*  
(63) 2 8849 8840  
jacqui.dejesus@maybank.com  
• Strategy • Conglomerates

**Rachelleen RODRIGUEZ, CFA**  
(63) 2 8849 8843  
rachelleen.rodriguez@maybank.com  
• Banking & Finance • Transport • Telcos  
• Utilities

**Daphne SZE**  
(63) 2 8849 8847  
daphne.sze@maybank.com  
• Consumer

**Alexa Mae CARVAJAL**  
(63) 2 8849 8838  
alexamae.carvajal@maybank.com  
• Consumer • Gaming • Property • REITS

### THAILAND

**Chak REUNGSINPINYA** *Head of Research*  
(66) 2658 5000 ext 1399  
chak.reungsinpinya@maybank.com  
• Strategy • Energy

**Jesada TECHAHUSDIN, CFA**  
(66) 2658 5000 ext 1395  
jesada.t@maybank.com  
• Banking & Finance

**Wasu MATTANAPOTCHANART**  
(66) 2658 5000 ext 1392  
wasu.m@maybank.com  
• Telcos • REITS

**Surachai PRAMUALCHAROENKIT**  
(66) 2658 5000 ext 1470  
surachai.p@maybank.com  
• Auto • Conmat • Contractor • Steel

**Suttatip PEERASUB**  
(66) 2658 5000 ext 1430  
suttatip.p@maybank.com  
• Food & Beverage • Commerce

### INDONESIA

**Jeffrosenberg CHENLIM** *Head of Research*  
(62) 21 8066 8680  
jeffrosenberg.lim@maybank.com  
• Strategy • Banking & Finance • Property

**Willy GOUTAMA**  
(62) 21 8066 8500  
willy.goutama@maybank.com  
• Consumer

**Etta Rusdiana PUTRA**  
(62) 21 8066 8683  
etta.putra@maybank.com  
• Telcos • Internet • Construction

**William Jefferson W**  
(62) 21 8066 8563  
william.jefferson@maybank.com  
• Property

**Adi WICAKSONO**  
(62) 21 8066 8686  
adi.wicaksono@maybank.com  
• Plantations

**Satriawan HARYONO, CEWA, CTA**  
(62) 21 8066 8682  
satriawan@maybank.com  
• Chartist

### VIETNAM

**Quan Trong Thanh** *Head of Research*  
(84 28) 44 555 888 ext 8184  
thanh.quan@maybank.com  
• Strategy • Banks

**Hoang Huy, CFA**  
(84 28) 44 555 888 ext 8181  
hoanghuy@maybank.com  
• Strategy • Technology

**Le Nguyen Nhat Chuyen**  
(84 28) 44 555 888 ext 8082  
chuyen.le@maybank.com  
• Oil & Gas • Logistics

**Nguyen Thi Sony Tra Mi**  
(84 28) 44 555 888 ext 8084  
trami.nguyen@maybank.com  
• Consumer Discretionary

**Tran Thi Thanh Nhan**  
(84 28) 44 555 888 ext 8088  
nhan.tran@maybank.com  
• Consumer Staples

**Nguyen Le Tuan Loi**  
(84 28) 44 555 888 ext 8182  
loi.nguyen@maybank.com  
• Property

**Nguyen Thanh Hai**  
(84 28) 44 555 888 ext 8081  
thanhhai.nguyen@maybank.com  
• Industrials

**Nguyen Thanh Lam**  
(84 28) 44 555 888 ext 8086  
thanhlam.nguyen@maybank.com  
• Retail Research

## APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

### DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

### Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

### Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

### Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

### US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Wedbush Securities Inc. ("Wedbush"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.

## UK

This document is being distributed by Maybank Securities (London) Ltd (“MSUK”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

## DISCLOSURES

### Legal Entities Disclosures

**Malaysia:** This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia (“PTMSI”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited (“MIBSI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057). **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

### Disclosure of Interest

**Malaysia:** Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

**Singapore:** As of 9 October 2023, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

**Thailand:** MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

**Hong Kong:** As of 9 October 2023, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

**India:** As of 9 October 2023, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report. In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

## OTHERS

### Analyst Certification of Independence

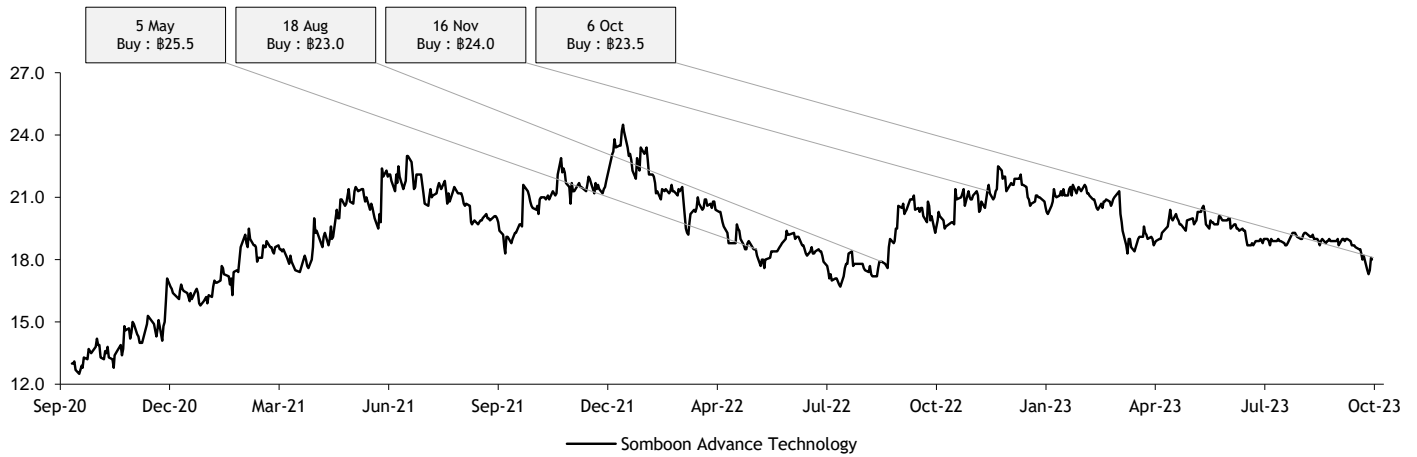
The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

### Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

Historical recommendations and target price: Somboon Advance Technology (SAT TB)



**Definition of Ratings**

Maybank IBG Research uses the following rating system

- BUY** Return is expected to be above 10% in the next 12 months (including dividends)
- HOLD** Return is expected to be between 0% to 10% in the next 12 months (including dividends)
- SELL** Return is expected to be below 0% in the next 12 months (including dividends)

**Applicability of Ratings**

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

### Malaysia

Maybank Investment Bank Berhad  
(A Participating Organisation of  
Bursa Malaysia Securities Berhad)  
33rd Floor, Menara Maybank,  
100 Jalan Tun Perak,  
50050 Kuala Lumpur  
Tel: (603) 2059 1888;  
Fax: (603) 2078 4194

Stockbroking Business:  
Level 8, Tower C, Dataran Maybank,  
No.1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (603) 2297 8888  
Fax: (603) 2282 5136

### Singapore

Maybank Securities Pte Ltd  
Maybank Research Pte Ltd  
50 North Canal Road  
Singapore 059304

Tel: (65) 6336 9090

### Indonesia

PT Maybank Sekuritas Indonesia  
Sentral Senayan III, 22<sup>nd</sup> Floor  
Jl. Asia Afrika No. 8  
Gelora Bung Karno, Senayan  
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188

Fax: (62) 21 2557 1189

### Thailand

Maybank Securities (Thailand) PCL  
999/9 The Offices at Central World,  
20<sup>th</sup> - 21<sup>st</sup> Floor,  
Rama 1 Road Pathumwan,  
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)

Tel: (66) 2 658 6801 (research)

### London

Maybank Securities (London) Ltd  
PNB House  
77 Queen Victoria Street  
London EC4V 4AY, UK

Tel: (44) 20 7332 0221

Fax: (44) 20 7332 0302

### India

MIB Securities India Pte Ltd  
1101, 11<sup>th</sup> floor, A Wing, Kanakia  
Wall Street, Chakala, Andheri -  
Kurla Road, Andheri East,  
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600

Fax: (91) 22 6623 2604

### Vietnam

Maybank Securities Limited  
Floor 10, Pearl 5 Tower,  
5 Le Quy Don Street,  
Vo Thi Sau Ward, District 3  
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888

Fax : (84) 28 38 271 030

### Hong Kong

MIB Securities (Hong Kong)  
Limited  
28/F, Lee Garden Three,  
1 Sunning Road, Causeway Bay,  
Hong Kong

Tel: (852) 2268 0800

Fax: (852) 2877 0104

### Philippines

Maybank Securities Inc  
17/F, Tower One & Exchange  
Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines 1200

Tel: (63) 2 8849 8888

Fax: (63) 2 8848 5738

### Sales Trading

#### Indonesia

Helen Widjaja  
helen.widjaja@maybank.com  
(62) 21 2557 1188

#### Philippines

Keith Roy  
keith\_roy@maybank.com  
Tel: (63) 2 848-5288

#### London

Greg Smith  
gsmith@maybank.com  
Tel: (44) 207-332-0221

#### India

Sanjay Makhija  
sanjaymakhija@maybank.com  
Tel: (91)-22-6623-2629

[www.maybank.com/investment-banking](http://www.maybank.com/investment-banking)  
[www.maybank-keresearch.com](http://www.maybank-keresearch.com)